Message Text

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ACTION EUR-12

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R 021412Z MAR 77
FM AMEMBASSY STOCKHOLM
TO USDOC WASHDC
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E.O. 11652: N/A
TAGS: BEXP, SW
SUBJECT: STC OPERATIONS MARKET RESEARCH: INDUSTRIAL ASSEMBLY EQUIPMENT, SWEDEN

PRELIMINARY CONCLUSIONS OF RESEARCH CONTRACTOR ARE AS FOLLOWS:

A. MARKET SUPPLY: AS CAN BE SEEN IN THE STATISTICAL TABLES THERE IS A RATHER HIGH DEGREE OF SUPPLY FROM DOMESTIC PRODUCTION WITHIN MANY PRODUCT CLASSIFICATIONS. THIS IS TRUE SPECIFICALLY FOR THE GROUPS "ADHESIVES, SEALANTS, TAPE", "ASSEMBLY EQUIPMENT" AND "MECHANICAL FASTENERS". HOWEVER IN SEVERAL CATEGORIES THE EXPORT VOLUME IS ALSO QUITE LARGE COMBINED WITH CONSIDERABLE IMPORT. THERE ARE ALSO CATEGORIES WITH IMPORTS DOMINATING DUE TO LACK OF DOMESTIC PRODUCTION--ESPECIALLY ADHESIVES AND SEALANTS INVOLVING RUBBER.

B. LOCAL PRODUCTION: WITHIN MOST CATEGORIES OF SURVEY THERE ARE ONE OR A FEW IMPORTANT, OR EVEN DOMINATING, SWEDISH MANUFACTURERS. SOME OF THE MORE IMPORTANT ARE:
ADHESIVES, CASCO; ELECTRIC WELDING, ESAB; GAS WELDING, AGA; NAILS, GUNNEBO; BOLTS, NUTS, BULTEN-KANTHAL; POWER HAND TOOL, ATLAS COPCO.

C. EXPORT: IN GROUPS "WELDING" AND "POWER HAND TOOLS" EXPORTS
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ARE ALMOST EQUAL TO LOCAL PRODUCTION. LARGEST EXPORTS ARE "POWER HAND TOOLS" $112 MILLION AND "ASSEMBLY EQUIPMENT" $110 MILLION. TOTAL EXPORT OF ALL CATEGORIES IS ABOUT 50 PERCENT OF TOTAL PRODUCTION IN THOSE CLASSIFICATIONS. WEAKEST GROUPS ARE "ADHESIVES" AND "MECHANICAL FASTENERS" WHERE EXPORTS ARE BELOW 30 PERCENT OF PRODUCTION.

D. IMPORT: BY FAR THE LARGEST SHARE OF TOTAL IMPORT IS WEST GERMANY WITH $91.8 MILLION EQUALLING 35.8 PERCENT. NEXT IS UNITED KINGDOM WITH $33.6 MILLION AND 13.1 PERCENT. DENMARK COMES THIRD WITH $23.1 MILLION OR 9.0 PERCENT AND THE US RANKS FOURTH WITH $17.5 MILLION AND 6.8 PERCENT. OF COURSE THERE ARE VARIATIONS BETWEEN PRODUCT GROUPS BUT WEST GERMANY DOMINATES IN ALL BUT ONE. IMPORTS IN $ MILLIONS ARE:

ADHESIVES UK $12.0 30.2 PERCENT
DENMARK 8.8 22.3
W GERMANY 8.8 22.1
USA 2.9 7.3

ASSEMBLY
W GERMANY 37.3 41.7
DENMARK 9.4 10.6
UK 7.2 8.0
USA 5.9 6.6

WELDING
W GERMANY 9.4 42.7
NORWAY 1.0 4.7
DENMARK 1.7 7.7
USA 2.3 10.5

TEST
W GERMANY 1.5 39.8
UK .6 16.1
AUSTRALIA .4 11.1
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USA .2 5.6

FASTENERS
W GERMANY 24.4 38.3
UK 7.4 11.7
SWITZERLAND 7.4 11.6
USA 1.9 3.0

POWER
W GERMANY 10.4 27.7
UK 5.5 14.6
SWITZERLAND 3.7 9.9
USA 4.3 11.5

THERE ARE NATURALLY SUB-CLASSIFICATIONS WHERE OTHER COUNTRIES DOMINATE, BUT GERMAN AND BRITISH DOMINANCE OF TOTAL IMPORT, AS SHOWN ABOVE, IS QUITE IN ACCORDANCE WITH THE NORMAL PATTERN OF SWEDISH FOREIGN TRADE IN GENERAL. THIS IS IMPORTANT FROM A MARKETING ASPECT, AS A NEW FIRM ENTERING THE MARKET WILL FIND IT

DIFFICULT TO COMPETE WITH FIRMS SELLING IN SWEDEN FOR 10, 25 OR
EVEN 50 YEARS.

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R 021412Z MAR 77
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3. DISTRIBUTORS: MOST SWEDISH IMPORTERS/WHOLESALERS REPRESENTING FOREIGN MANUFACTURERS BELONG TO EITHER OF TWO ORGANIZATIONS, THE FEDERATION OF SWEDISH WHOLESALERS AND IMPORTERS, OR THE FEDERATION OF COMMERCIAL AGENTS OF SWEDEN. IN THE FIRST ORGANIZATION THERE ARE TWO SECTIONS RELEVANT: ASSOCIATION OF IMPORTERS OF MACHINERY SUPPLIES, AND SWEDISH PLASTICS AND CHEMICALS SUPPLIERS ASSOCIATION. THE COMMERCIAL AGENTS ORGANIZATION HAS A NUMBER OF TRADE SECTIONS ALSO; RELEVANT HERE ARE SECTIONS H; MACHINES, TOOLS AND PARTS, L: CHEMICALS AND DRUGS, AND M: PLASTIC PRODUCTS AND RAW MATERIALS.

F. POTENTIAL FOR US EXPORTERS: THE GROUPS "WELDING, BRAZING, SOLDERING" AND "POWER HAND TOOLS" SEEM TO BE THE MOST IMPORTANT. AMONG INDIVIDUAL SUB-CLASSIFICATIONS THERE ARE SOME WITH CONSIDERABLY LARGER US SHARES. THEY ARE: PREPARED GLUE, RUBBERIZED TEXTILE TAPE, ASBESTOS PACKAGINGS, ELECTR. BRAZING, PNEUMATIC HAND TOOLS (RIVETING), OTHER PNEUMATIC HAND TOOLS, PARTS.

G. PRODUCT POTENTIAL: ADHESIVES: SOME INDUSTRIES WITHIN THE AUTOMOTIVE, AIRCRAFT AND METAL WORKING TRADE ARE CONSIDERING REPLACING CERTAIN WELDING AND SOLDERING WORKING MOMENTS WITH GLUEING SINCE THERE ARE NEW TECHNIQUES AVAILABLE. POWER HAND TOOLS: THERE SEEMS TO BE A TREND FROM PERCUSSION DRILLING TO ORDINARY DRILLING FOR ENVIRONMENTAL REASONS. THIS IS IN ADDITION AN IMPORTANT PRODUCT GROUP SINCE MANY INDUSTRIES IN AUTOMOTIVE, METAL WORKING AND AIRCRAFT SECTORS, ARE OPERATING LARGELY WITHOUT
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CONVEYOR BELT SYSTEMS. ASSEMBLY LINES HAVE IN MANY PLACES BEEN REPLACED BY SMALL "WORKING GROUPS" OF 5 TO 10 PERSONS WORKING AROUND A SINGLE UNIT. ROBOTS: THERE ARE DIFFICULTIES IN USING ROBOTS IN THE "WORKING GROUP" ASSEMBLY OPERATION AS ROBOTS REQUIRE FIXED POSITIONS. NOW THERE ARE NEW TECHNIQUES COMING FOR MOVING EQUIPMENT FROM ONE POSITION TO ANOTHER WITH A HIGH DEGREE OF PRECISION, SO THERE SHOULD BE INCREASING POSSIBILITIES FOR ROBOTS IN THE NEXT FEW YEARS. SWEDEN NOW HAS THE HIGHEST ROBOT POPULATION IN EUROPE WITH 450, SLIGHTLY HIGHER EVEN THAN GERMANY. 80 OF THOSE CAME FROM THE ONLY US MANUFACTURER ACTIVE UP TO NOW IN SWEDEN; ABOUT 350 ARE OF SWEDISH MANUFACTURE.

H. TRADE SHOW: MANY RESPONDENTS HAVE SAID A MAJORITY OF THE PRODUCTS IN THIS FIELD ARE NOT PARTICULARLY INTERESTING FOR A USTC SHOW BECAUSE OF EASY ACCESS TO A LARGE NUMBER OF DOMESTIC OR NEARBY FOREIGN SUPPLIERS; ALSO MANY PRODUCTS ARE RATHER STANDARD ITEMS. THERE IS EXPRESSED INTEREST, HOWEVER, IN NEW TECHNIQUES AND/OR HIGHLY SOPHISTICATED EQUIPMENT. THUS NEW GLUEING TECHNOLOGY, AND ASSEMBLY ROBOTS, SEEM TO BE THE MOST PROMISING AREAS FOR SHOW.
SMITH

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Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

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